

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 16, 1995

SUBJECT: **SB 1026 - HB 1404**

This bill, if enacted, will require the state to pay 80% of the premium for retiree participation in state sponsored or approved Medicare supplement coverage for employees with 30 or more years of service. Presently, the state provides this support based upon a fixed amount (currently \$28 per month) for retirees with 30 or more years of service. Retirees with lesser amounts of service receive a proportional amount.

The fiscal impact from enactment of this bill is estimated to be an increase in first year state expenditures of approximately \$6,618,000. This estimate assumes a projected total cost for this program under the provisions of this bill of \$10,516,000 versus a projected cost of this program of \$3,898,000 in the absence of this bill.

It should be noted that the state presently offers two levels of benefits for this program and, if the lower plan sponsored by the state is used as the benchmark, the estimated increase in first year state expenditures will be approximately \$4,468,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director